excise duty on plan reel cotton hank yarn and jute hank yarn.

(ii) Concessional rate of Excise Duty on cross reeled cotton hank yarn when purchased by registered handloom coopertive societies and State Handloom Development Corporation.

(iii) Complete exemption from excise duty on certain types of polyster blended yarn when purchased by State handloom development corporation and handloom cooperative societies.

(iv) Complete exemptions from excise duty on polyster fibre used in the blended yarn consumed for the production of blended fabrics on handlooms under a programme approved by Development Commissioner for Handlooms.

(v) 50 per cent concession in the excise duty leviable on viscose filament yarn when purchased by registered handlooms cooperative society or any organisation approved in this behalf by the Government.

(vi) Complete exemption from customs duty on the raw wool imported into India by a registered apex handloom cooperative society or a State Handloom Development Corporation.

(vii) Complete exemption of duty of excise on processing of cotton, wool and polyester fabrics made on handlooms when processed in process houses set up by State Handloom Development Corporations and Apex Handloom Cooperative Societies.

(viii) 60 percent concession in the duty of excise on processing of cotton fabrics made on handloom when processed by independent processor approved by the Government.

(ix) Complete exemption from excise duty on processing of woolen fabrics woven on Handlooms when processed by independent processors approved by the Government.

Suggestion of A.E.P.C. for Duty free import of Textiles Machinery

2651. SHRI P. UPENDRA: Will the Minister of TEXTILES be pleased state:

(a) whether the Apparel Export Promotion Council has suggested duty-free import of machinery for modernisation of the textile industry and reduction in the interest rates of pre and post shipment credits;

(b) if so, what is the reason for the delay in implementing these suggestions; and

(c) whether the delay is likely to affect the target of readymade garment exports?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI ASHOK GEHLOT): (a) Yes, Sir.

(b) and (c) The suggestion for duty free import of machinery has not been found acceptable. However Government have reduced import duty applicable for capital goods to 65 per cent with effect from 1-4-92, Government have also liberalised the Export Promotion (Capital Goods) Scheme which facilitates import of capital goods at concessional duties of 25 per cent and 15 per cent subject to appropriate export obligation. A new scheme of post-shipment credit denominated in Dollars was introduced with effect from 1-1-92. Initially the interest rate was 8.5 percent which has been reduced to 6.5 percent with effect from 29-2-92. Further, interest rate on post-shipment credit for 180 days and 270 days has been brought down by 1 percent with effect from 29-2-92. These steps are likely to result in increased exports of readymade garments.